(b) if so, the bank-wise and institution-wise details and amount of bad-bebts of each bank/financing institution as on 31st October, 1996; and

(c) preventive and curative measures taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) and (b) Reserve Bank of India (RBI) has reported that it has not published any list of public sector financial institutions and nationalised banks who are bad debtors. However, RBI publishes on yearly basis a list of borrowal accounts with aggregate outstandings of Rs. 1 erore and above, against whom banks and financial institutions have filed suits for recovery of funds.

(c) Debts Recovery Tribunals have been established by Government to speed up the recovery of dues owned to banks and financial institutions. Government and RBI have also been impressed upon the banks the need to strengthen the credit appraisal machinery and exercise close supervision and control over advances. Targets of recovery/reduction of non-performing assets (NPA) have been fixed by RBI. Recovery Cells have been set up at the headquarters of the nationalised banks under the charge of a General Manager. Board of Directors are also required to review the recovery position on a regular basis. The RBI has also put in position a system of circulating a list of large defaulting borrowers for the confidential use of banks and financial institutions on a half-yearly basis, so that this information could be used as an input in decision making.

Private Financing companies going into liquidation

1677. PROF. RAM KAPSE: Will the Minister of FINANCE be pleased to state:

(a) the details of the private financing companies which have gone into liquidation during the last three years ending 31st December, 1996; and

(b) the company-wise amounts usurped?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) and (b) The information is being collected from the Department of Company Affairs and will be laid on the Table of the House.

RBI instruction for loans to Cotton Textile Mills

1678. SHRI VEDPRAKASH P. GOYAL: Will the Minister of FINANCE be pleased to state:

(a) instructions to financial institutions and banks to provide loans to cotton textile mills for making payments under their modernisation schemes and voluntary retirement schemes aimed at rationalisation of workforce in the industry;

(b) the date on which these instructions were issued and the position of their implementation till date; and

(c) the number of industries who availed of this scheme so far?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) to (c) The Industrial Development Bank of India (IDBI) has reported that Reserve Bank of India (RBI) vide its circular dated November 29, 1996 has advised all India financial institutions (FIs) to take into account the outgo on account of voluntary retirement scheme and gratuity while determining the quantum of financial assistance for modernisation

plans of cotton textile mills. RBI has also indicated that FIs should be satisfied about the viability of the proposed modernisation plan and should also ensure end-use of funds. Voluntary retirement schemes and gratuity outside the modernisation plan would not come under the purview of these instructions.

FIs are examining the issue and have yet to decide on the implementation of these instructions.

भारतीय अर्थव्यवस्था में गिरावट की प्रवृत्ति

1679. **श्री रामजी लाल:** क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या यह सच है कि देश की अर्थव्यवस्था में दिन प्रतिदिन गिरावट आ रही है;

(ख) यदि हां, तो सरकार ने इस गिरावट को रोकने के लिए पिछले दो वर्षों के दौरान क्या कदम उठाए हैं; और

(ग) इनके परिणाम कब तक मिलने की संभावना है?

वित्त मंत्रालय में राज्य मंत्री (श्री एम० पी० वीरेन्द्र कुमार): (क) से (ग) पिछले कुछ वर्षों के दौरान किए गए आर्थिक सुधारों ने भारतीय अर्थव्यवस्था को उच्चतर वृद्धि के पथ पर प्रशस्त किया है। उपादान लागत पर वास्तविक सकल घरेलू उत्पाद की वृद्धि, जो 1991-92 के संकटकालीन वर्ष में मात्र 0.8 प्रतिशत तक गिर गई थी, में पिछले तीन वर्षों (1994-95 से 1996-97) में लगभग 7 प्रतिशत की औसत वृद्धि तक की बढ़ोत्तरी हुई है। कुछ दिन पहले संसद के दोनों सदनों में प्रस्तुत आर्थिक समीक्षा 1996-97 में जारी आर्थिक सुधारों तथा भारतीय अर्थव्यवस्था की वर्तमान स्थिति की विस्तृत समीक्षा उपलब्ध है। इसके अतिरिक्त, 1996-97 और 1997-98 के बजट में उद्योग, आधारभूत संरचना, व्यापार तथा कृषि संबंधी क्षेत्रों को सुदृढ़ करने तथा बचतों एवं निवेश का संवर्द्धन करने के लिए अनेक उपाय/प्रोत्साहन निहित हैं। इन पहलों से वृद्धि की प्रक्रिया को ओर प्रोत्साहन मिलने की उम्मीद है।

Steps to popularise credit rating

1680. **DR. SHRIKANT RAMCHANDRA JUCHKAR:**
SHRIMATI BASANTI SARMA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a totally free capital market cannot be conceived without reliable and universal credit rating of issues;

(b) what steps have been taken to popularise credit rating amongst the investors as also in the corporate world; and

(c) the role of CRISIL in this?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) and (b) Credit Rating Agencies provide, inter-alia, ratings of debt obligations of companies to the investors in order to enable them to understand the risks involved and to make informed investment decisions. Such rating provides a guide to the investors as to the risk of timely payment of interest and principal on a particular debt instrument. In this manner, Credit Rating Agencies play an important role in investor protection and in the healthy development of the capital market. The guidelines of the Securities and Exchange Board of India (SEBI) for disclosure and investor protection have made it mandatory for bonds or debentures issued to the public to be rated by a rating agency. The rating with full meaning should be disclosed in the offer document and also in issue advertisements. Further, the recently notified SEBI regulations on takeovers require that any debt instrument offered in exchange of cash consideration under a public offer should be 'A' rated.

(c) The Credit Rating Information Services of India Ltd. (CRISIL) has informed that as on 31.12.96, it has rated 2011 instruments of 1297 companies.